



# Credit risk modeling

**Enhancing credit risk modeling: tools and techniques**



Accounting and financial reporting

**28-29 April 2019  
Dubai, UAE**

**KPMG Business Academy**





### Key learning benefits:



Focus on risk management as a strategic function impacting FI's strategy, planning and operations



Analysis of the industry's best practices around credit risk modeling



Familiarity with regulatory requirements for credit risk modeling



### Course overview

Following the renewed emphasis expressed by central banks and regulators, banks around the world have gradually begun investing in data systems and analytics to strengthen their risk management practices.

This two-day course has been designed to help participants shift their focus from basic reporting and exploratory analysis towards designing credit risk models generating powerful insights and having stronger business impacts.



### Meet your course leaders



**Samudra Chatterjee**  
Associate Director – AAS  
KPMG in the Lower Gulf

Samudra is an Associate Director with KPMG Lower Gulf. He has more than 10 years experience in risk consulting domain across multiple clients and geographies. He specializes in credit risk modeling covering entire customer life-cycle. He has been significantly involved in designing credit models under Basel, CCAR, IFRS 9, BCBS 239 regulatory standards.



### Course prerequisites

- Basic knowledge of statistics and finance.
- Familiar with MS-Excel spreadsheets
- Elementary knowledge of software applications such as SAS and SPSS would be a plus



### Who should attend

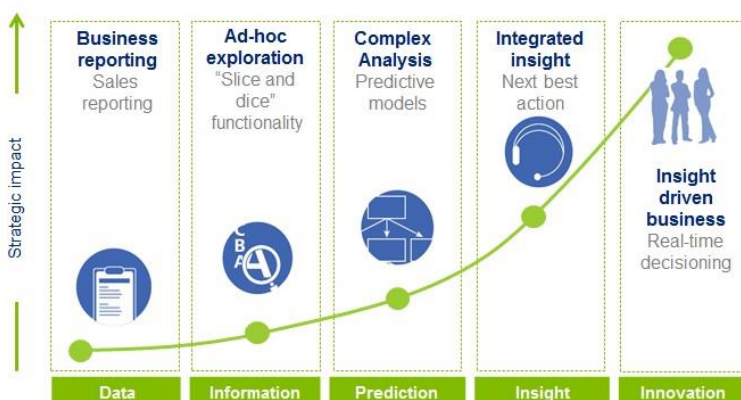
This course is highly recommended for credit risk management professionals, accountants, auditors, bankers, financial advisors, credit analysts, treasury managers, risk analysts and scholars who are involved in management, development, or validation of credit risk models.

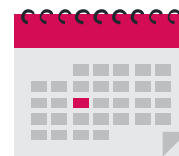


**Akash Chetwani**  
Assistant Manager – AAS  
KPMG in the Lower Gulf

Akash is an Assistant Manager in the Risk Consulting team at KPMG Lower Gulf and has more than 3 years experience in credit risk modeling-development and validation, IFRS 9 impairment modeling and macro-economic modeling space. During his time in KPMG, he has been involved in development and validation of Probability of Default (PD), Loss given default (LGD), Exposure at Default (EAD), Macroeconomic models and Behavioral Models for capital computation.

### Learning ladder : Core skills





## Day one

### Overview and regulatory requirements

- Introduction to credit risk modeling
- Overview of the regulatory environment
- Introduction to credit risk
- Definition and types
- Default definition
- Expected loss vs unexpected loss
- Internal and external ratings
- Macro-economic variables and key industry risks
- Basel accords
- IFRS 9 – Impairment
- Modeling framework
- Elements of credit risk modeling

### Probability of default and loss given default models

- Introduction to probability of default
- Data requirements
- Segmentation
- Logistic regression
- Variable selection
- Model output
- Industry benchmarks for PD estimates
- Assignment/case study
- Introduction to loss given default
- Data requirements
- Workout method
- Model output
- Industry benchmarks for LGD estimates
- Assignment/case study
- Using PD & LGD estimates for business decision purposes

## Day two

### Exposure at default models

- Introduction to exposure at default
- Use of Credit Conversion Factor (CCF)
- CCF calculation methods – Fixed horizon
- Model output

### Macroeconomic modeling and stress testing

- Introduction to macroeconomic modeling and stress testing
- Regulatory requirements
- Potential variables considered
- Scenario modeling
- Linear regression
- Model fit indicators
- Assumption testing
- Normality
- Heteroscedasticity
- Linearity
- Multicollinearity
- Serial correlation
- Model output

### Model validation and benchmarking

- Overview
- Model validation components
- Roles and responsibilities
- Qualitative validation
- Quantitative validation
- Discriminatory power
- Accuracy
- Stability
- Granularity
- Overrides
- Benchmarking
- Model monitoring
- Results and reporting

# Credit risk modeling

**28-29 April 2019**  
**8:30am-4:00pm**  
**Dubai, UAE**

Early bird (before 28 March 2019)*	Participant fee*
US\$1,695	US\$1,895

*\* Please note that the fee quoted is exclusive of VAT and the fees for the course shall be increased by the quantum of VAT, as applicable under the law.*

All registrations are subject to our terms and conditions which are available at <http://kpmgbusinessacademy.kpmguae.com/TermsandConditions.aspx>. By submitting your registration you agree to be bound by the terms and conditions in full.



**Please bring a laptop with MS Office installed**



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## Three ways to register:



| [Register](#)



| [ae-fmkpmgacademy@kpmg.com](mailto:ae-fmkpmgacademy@kpmg.com)



| +971 4 356 9616

## Certificate

Participants who attend all sessions will be awarded a KPMG certificate of attendance.

## Payment

To reserve a seat at our courses, please complete a registration form and pay the full fees before the due date. All registrations are subject to acceptance by KPMG and will be confirmed with you in writing.

## Cancellation

If, having registered and paid for a place, you are unable to attend the course, a substitute delegate is welcome to attend in your place. Fees canceled seven days or less before the course begins are payable in full.

KPMG reserves the right to cancel this course, change its date or alter the venue, speakers or topics.

## Customized training solutions

To create a more tailored learning experience, you may want to run this course in-house. Please contact Saravanan Selvan to discuss further:

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